



Employees' Retirement Board of Rhode Island
Monthly Meeting Minutes
Wednesday, July 13, 2016
9:00 a.m.
2nd Floor Conference Room, 50 Service Avenue

The Monthly Meeting of the Retirement Board was called to order at 9:09 a.m. Wednesday, July 13, 2016, in the 2nd Floor Conference Room, 50 Service Avenue, Warwick, RI.

I. Roll Call of Members

The following members were present at roll call: Treasurer Seth Magaziner; Vice Chair William B. Finelli, Daniel L. Beardsley; Roger P. Boudreau; Andrew Marcaccio, Esq., designee for Michael DiBiase; Paul L. Dion, Ph.D.; Thomas M. Lambert; John P. Maguire; Joanne A. Matisewski; Marianne F. Monte; Thomas A. Mullaney; Claire M. Newell; Jean Rondeau and Dr. Laura Shawhughes.

Also in attendance: Frank J. Karpinski, ERSRI Executive Director and Attorney Michael P. Robinson, Board Counsel.

Recognizing a quorum, Treasurer Magaziner called the meeting to order.

II. Approval of Minutes

Treasurer Magaziner provided the Board a clarification of some language related to the asset liability study in the minutes for their review. There being no comments, on a motion by William B. Finelli and seconded by Thomas M. Lambert, it was unanimously

VOTED: To approve the amended draft regular session minutes and the draft executive session minutes of the June 8, 2016 meeting of the Retirement Board of the Employees' Retirement System of Rhode Island.

III. Chairperson's Report

Treasurer Magaziner apprised the Board that typically there is not an August monthly Board meeting.

On a motion by John Maguire and seconded by Roger P. Boudreau, it was unanimously

VOTED: To not have an August 2016 Board meeting but still to have an ability to call a meeting if necessary

Mr. Finelli apprised the Board that the Disability Subcommittee would still be having an August 2016 meeting, although it was not scheduled as of yet.

Treasurer Magaziner then provided an update to the Board on recent legislation and introduced Ms. Bea Lanzi, Director of Legislation and Outreach to update the Board. Ms. Lanzi apprised the Board of the Budget item that provided a benefit to retirees. She said up to \$15,000 of retirement income will be exempt from State personal income tax. She said members who have reached full Social Security retirement age and have a gross

income less than \$80,000 for single filers, or joint filers of \$100,000 or less, would produce \$490 - \$560 extra to each retiree.

Treasurer Magaziner reiterated the Board's discussion at last month's meeting, wherein 2 FTE's for retirement, a customer experience manager and an accounting position that was originally in the Governor's recommended budget request, had been removed from the House budget. He told the Board that these positions had been restored in the final version.

Ms. Lanzi then discussed new post-retirement employment legislation. She said two companion bills were sponsored by Senator Nesselbush and Representative Shekarchi. The bills allow retired members of the state retirement system who are certified as substitute teachers to substitute teach not more than 90 days a year without a reduction in retirement benefits.

Ms. Lanzi discussed a bill to increase monthly minimum benefits for spouses and domestic partners of retired teachers and to authorize annually a non-compounded COLA in the Teacher Survivor Benefits (TSB) fund. She said this legislation would have affected roughly 500 beneficiaries and currently the system is funded at 146%. This piece of legislation would have brought the fund down to 100% funded, but the current law requires it to be funded at 120%. Conversely, the bill would have forced an increased cost to the current 7,100 employees, and thus the bill was not enacted into law.

In summary, Treasurer Magaziner said there will be a minimal financial impact with the post-retirement employment bill becoming law since there are not as many State and Municipal retirees working post retirement as certified substitute teachers. As for the Teacher Survivor Benefit (TSB), he said further conversation and analysis is required.

Treasurer Magaziner thanked Ms. Lanzi for her report.

IV. Executive Director's Report

Director Karpinski apprised the Board that they were in possession of the ERS and MERS Report of Contributions delinquency reports, the June 2016 *Pension Application Processing Report*, the July 8, 2016 Disability Subcommittee Report, a presentation of Funston Advisory Services LLC's finalized recommendations, the Procurement Subcommittee's analysis, and presentations by the actuarial candidates, Cheiron and Gabriel Roeder Smith and Company.

Director Karpinski updated the Board on the "*Report of Contributions*" delinquency reports provided today. He noted the increased delinquencies and said they were known and planned for as the posting system was "dark" during the conversion to the new system, and employers could not post data. During June 8th -17th, he said employers were given access to post payrolls in the new system. Finance Director Zachary Saul and his team assisted the employers with their posting of contributions. Director Karpinski said there were over 945 posted payrolls from employers, and of that amount about 20 needed assistance. The Director said of the 945 postings, only 37 employers were posted only to May 31, 2016 and need to post June payrolls, and only 2 were school districts. As of last week, Director Karpinski said there were over 200 data collections. ERSRI worked with teaching groups to get the data posted, and believes by the first week of August Employers should be current.

The Director said it is important to get the data in for the pension application processing. He noted that prior to going "dark", there were 113 pensions processed to

get current. The Director offered layout options and welcomed the Board's input in the Board book regarding *the New Retiree Report*.

Director Karpinski noted there is an RFP for electronic Board books to be shared with the SIC, and once vendors submit proposals, the procurement subcommittee will review them and make a selection.

Director Karpinski said Funston Advisory Services is present today for a final presentation regarding Board Governance. Also, he said the Procurement Subcommittee met and Chairman Mullaney will update the Board during committee reports.

Director Karpinski apprised the Board that the IRS private letter ruling request has been sent, and ERSRI is waiting for a response.

Ms. Newell asked if any State aid payments are being withheld for delinquencies. Director Karpinski said not at this point, but will start up again in August.

Mr. Dion asked if the amounts past due are in escrow anywhere. The Director said no. He said the major issue is processing the data and money will come in after.

Treasurer Magaziner reiterated that it is a learning curve for ERSRI on the new system installation. He said Director Karpinski and his staff have been working very hard to mitigate any issues, but said glitches may happen. The Treasurer said the most important concern is that no members experience significant delays in receiving their benefits.

Presentation and Consideration of Funston Advisory Services LLC Draft Recommendations for ERSRI Governance Policy Review

Director Karpinski introduced Mr. Keith Johnson and Mr. Randall Miller, Project Manager, from Funston Advisory Services LLC. Mr. Johnson said the purpose of the project is to orient the Board to focus on process and policy to improve the Board's decision making process and meeting agendas. He said the decision making and the role and authority of committees, as well as the Board's delegation of authority to staff and committees, as well as policy documentation will be specifically emphasized in today's session. Mr. Johnson said they have provided draft charters and policies to the staff to review for the Board's ultimate approval.

Mr. Johnson said this project started in the week of April 2016 reviewing documents and surveying members, and resulted in Funston's preliminary observations and conclusions which were presented and given at the May 2016 workshop. He said today's goal is to present draft policy recommendations to the Board, and to obtain the Board's feedback as appropriate.

Mr. Johnson reiterated that the Board's top responsibilities for a retirement system are to hire, evaluate and compensate the Executive Director; set the expected rate of return and other key actuarial assumptions; set policy and strategic direction; allocate resources to priorities; oversee performance of staff and risk management; delegate/assign work to committees; delegate authorities and oversee stakeholder relations of employees, employers, staff and unions.

Mr. Randall Miller discussed the recommendation of committee structures and said the roles of the committees are not only taking on the delegation of the work, but also helping make the Board work more efficiently to bring and implement the action.

Mr. Miller said it is incumbent on the Executive Director that he assigns staff to assist each committee, and establish committee procedures for reporting to the Board in the form of recommendations. He recommended a review of governance policies and committee charters on a periodic (2- or 3-year) basis, updated as appropriate. He also recommended establishing an annual goal-setting and evaluation process for the Executive Director, and ensuring that the Director has a similar process for the Assistant Executive Director. Next Mr. Miller discussed the practices for preparing the Board for decision-making, including Board briefings. He said the Board must first develop a strategic policy agenda to guide Board and Committee activities by identifying the Board's top priorities annually, including both recurring and one-time topics. He said the committees generally do the majority of the Board's work and the committee chairs manage the agendas.

Mr. Miller apprised the Board on timing and format of meetings and said it should provide an opportunity for the Board members' input into the agenda setting process for each meeting. He also said the Executive Director should organize the draft annual agenda calendar for both recurring and one-time items for Board and Committees with the Governance Committee responsible for oversight of the Board calendar of agenda items, and that Chairs should be responsible for oversight of Committee agenda calendars.

Mr. Rondeau asked with respect to the strategic plan, who should be facilitating this, and Mr. Miller said often it is under the leadership of the Executive Director with input from the Board. He asked if getting an outside source would be considered, and Mr. Miller said possibly but ultimately from the Executive Director.

Mr. Miller said periodically there should be training sessions as part of regular Board meetings, continuing information sharing and joint sessions with the State Investment Commission, focusing on areas of reciprocal impact. Lastly he recommended using consent agendas, where possible, to reduce time on administrative items.

Mr. Miller discussed the role and authority of committees specifically regarding policy changes, where currently all policy changes must go to the Rules and Regulations Subcommittee. He said this is not the typical path, and recommended that policy changes be the responsibility of each subcommittee consistent within its scope, subject to approval by the Board.

Mr. Miller said that unless the Board chooses specific items to grant decisional authority over to the committees, the Committees only exercise advisory and oversight responsibilities. Part of a Committee's oversight responsibilities includes monitoring key performance indicators within its purview. He said all decisional authorities are reserved for the full Board, though related oversight, work or development of recommendations may be assigned. He said the following responsibilities will not be assigned to committees and will be addressed only by the full Board:

- 1) Develop and recommend key actuarial assumptions (including the expected rate of return)
- 2) Monitor interaction between actuarial assumptions and investment practices
- 3) Monitor litigation and legal issues involving the Board
- 4) Recommend topics for Board discussion with the State Investment Commission

Mr. Miller said there are primarily 3 types of responsibilities of the Board and discussed the following authorities and delegations;

Power	Description
Conduct	The Board itself performs the tasks described. This is the highest level of involvement. The Board or its Committees (standing or ad hoc) is actively involved in doing the work, e.g., writing the requirements, conducting due diligence, selecting and interviewing finalists, making the recommendation to the full Board for Approval.
Approve or Set	The Board retains final decision authority on prudently delegated activities to approve or set policies and limits. Once approved, the Board must then Oversee to ensure that actual practice reflects policy.
Oversee	The Board has a minimum legal duty to monitor and question. The Board reserves the power (with Committee assistance) to oversee that prudently delegated authorities are properly exercised, appropriate policies and controls are in place and delegates (CEO/staff) are held accountable for performance. Oversee does not constitute close supervision and day-to-day management.

He then summarized the recommended committee structure.

Disability Subcommittee – Would have continued oversight of the administration of disability benefits. He noted that it should consider engaging outside assistance to benchmark peer systems and identify alternatives, and then evaluate options and decide to maintain status quo or make policy and procedure changes, as appropriate.

Audit/Risk/Compliance Subcommittee --

Mr. Johnson said that although there is an existing Audit Subcommittee, he recommended expanding its scope to include oversight of risk and compliance, for example:

- a. System of internal controls
- b. Internal audit (in addition to external audit) processes
- c. Consider adding enterprise risk oversight (operational risk) to the committee scope

Administration Subcommittee –

Mr. Johnson recommended expansion of the scope of the Procurement Subcommittee to become the “Administration Subcommittee”, with a charter to include, for example:

- a. Procurement (same as current Procurement Subcommittee role)
- b. Financial planning, budgeting and accounting oversight
- c. Organizational strategy and staffing oversight
- d. Information technology, cybersecurity plans, security, privacy and business continuity oversight

Governance Subcommittee –

Mr. Johnson recommended combination of the Rules and Regulations, Legislative and Board Education Subcommittees into a new “Governance Subcommittee” with a charter to include, for example:

- a. Board processes and policies (including self-assessment, education and familiarity with Ethics Commission standards)
- b. Content and format of Board meeting books (with input from other committees, as relevant)
- c. Board committee structure and charters (with input from other committees, as relevant)
- d. Board performance and effectiveness
- e. Strategic planning and leading the annual strategy retreat
- f. Goal-setting and evaluation of the Executive Director and succession planning for senior staff
- g. General updates to Rules and Regulations
- h. Proactive and reactive responses to legislation, both proposed and/or enacted

Member Services Subcommittee

Mr. Johnson recommended forming a new “Member Services Subcommittee” with a charter to include, for example:

- a. Oversight of retirement benefit administration (including member and employer service delivery quality and efficiency)
- b. Oversight of retirement system performance (including defined contribution plan members’ retirement readiness and evolving best practices)
- c. Communications with members, employers and other stakeholders

Mr. Maguire said specifically the “employer services” should be enhanced with more emphasis on the 401(A) Defined Contribution Plan, with which both Mr. Johnson and Treasurer Magaziner agreed.

Mr. Miller then discussed recommended delegation of authority to staff and committees, and highlighted the following recommendations:

1. The subcommittees have the authority to propose promulgation of rules pertaining to their area of responsibility, subject to approval by the Board (for example, recommended rules changes are not required to go through a Rules and Regulations Subcommittee)
2. Reconsider Board appointment and evaluation of the Assistant Executive Director (AED) as the Board does not have sufficient interaction with the AED. The appointment and evaluation of the AED should be the responsibility of the Executive Director (ED), in consultation with the Board, and should be delegated by the Board to the ED
3. Expansion of the mandate of Internal Audit to:
 - a. More systematically evaluate the organization’s effectiveness, efficiency and economy of operations under management’s control

- b. Report to Executive Management and the Board (through the Audit, Risk and Compliance Committee) the results of the evaluation along with recommendations for improvement
- 4. Having Internal Audit report directly to the Board (through the Audit, Risk and Compliance Committee) to increase independent reassurance.

Mr. Miller reminded that the Executive Director always works with the Board. He recommended that the Board (through the Governance Committee) should develop a succession plan for the Executive Director position, and clarify the powers reserved for the Board and delegations to staff. He also recommended the job description for the Executive Director be reviewed (with Governance Committee input) and updated to reflect the Board's delegation of authorities. Lastly, he recommended as a high priority that a policy be implemented for consideration of the Executive Director's goal-setting and evaluation process.

Mr. Miller then recommended high priority policy areas to consider as follows:

- a. Executive Director goal-setting and evaluation process
- b. Update Board bylaws and Board member/officer charters
- c. Update/develop committee charters
- d. Update trustee education and orientation policy
- e. Develop a board self-assessment policy and process
- f. Develop a risk oversight policy and program
- g. Update/develop a strategic planning and related education policy
- h. Develop a policy for setting the annual Board and Committee agenda calendars
- i. Review disability appeals process and revise, as appropriate (Mr. Miller recommended a benchmark before determining actions)

Mr. Miller stated that a review and update of all policies should be at least every 2-3 years. He also said that Funston's proposals for recommended priority policy areas for consideration are as follows: Updating the Board powers, reserved and delegations

- a. Developing Member services policy and standards
- b. Updating the actuarial services policy (e.g., frequency of review of actuarial assumptions, actuarial assumptions subject to Board approval, etc.)
- c. Developing a policy on vendor referrals or contact during RFP processes
- d. Developing a policy on external communications
- e. Developing a policy for a whistleblower complaint internal process

Treasurer Magaziner said implementation of the proposed recommendations will take some time to implement, perhaps up to a year. He asked the Board if they have any high level concerns. He noted that having more active committees would allow the Board to cover a wider range of activities but at the same time being mindful of the Board's time constraints.

Mr. Rondeau asked what Funston thought about the size of this Board, and Mr. Miller said ERSRI's is on the high end of Board members.

Mr. Dion felt having a Strategic plan should be an initial focus.

Mr. Miller said the next steps will be to prepare a proposed implementation roadmap which considers timing and resource requirements, and ERSRI staff would bring new charters and policies to the Board for approval according to the roadmap.

Treasurer Magaziner thanked Messer's Johnson and Miller for their presentation and report, and said the next step would be looking at the drafts from FAS to be provided to the Board.

V. Committee Reports

Procurement Subcommittee

Vendor Interviews, Recommendation and Potential Approval of Successful Vendor for ERSRI Actuarial Service Contract

Director Karpinski apprised the Board that the Procurement Subcommittee met, and said Chairman Thomas Mullaney will apprise the Board of the subcommittees' recommendation at the conclusion of the presentations. The Director explained that there is a packet of information for the Board of how the committee reviewed the 4 bids from the RFP for the actuarial services. The Director said the committee voted to submit the top 2 candidates to the Board for their consideration, namely: Cheiron and Gabriel Roeder Smith and Company (GRS). He said each of the vendors will provide presentations emphasizing why their offer is the best choice for actuarial services to ERSRI.

Director Karpinski first introduced Mr. Gene Kalwarski, FSA and Ms. Elizabeth Wiley, FSA of Cheiron to provide their proposal for actuarial services. At the conclusion of Cheiron's presentation, he then introduced Mr. Joseph P. Newton, FSA, and Mr. Paul Wood of Gabriel Roeder Smith and Company to provide their proposal.

At the conclusion of both presentations, Chairman Mullaney apprised the Board that the Procurement Subcommittee met on June 16, 2016, to discuss and recommend a finalist for ERSRI's Actuarial Services Contract. The subcommittee members present were William Finelli, Patrick Marr, Claire Newell and Jean Rondeau.

Chair Mullaney summarized the process used by the committee for the Board:

- The RFP was advertised consistent with Regulation No.3, i.e., it was advertised in the Providence Journal, the Wall Street Journal and Pension and Investments. The release date was April 5th and responses were due by May 31st
- Questions by potential bidders were requested by May 12th and were responded to on May 19th
- The subcommittee reviewed 4 proposals submitted by qualified firms. Each proposal was evaluated by the committee and scored applying a consistent format.
- The evaluations performed by committee members were then compiled by the Director and presented to the committee. Summaries of the analysis were emailed to Board members on Friday and are in handouts today.

Chairman Mullaney said that based on a review of those proposals and analysis by the committee, consistent with Regulation 3 Section 2.6, the committee voted to submit the top 2 candidates, Cheiron and Gabriel, Roeder, Smith and Company to the Board for their consideration. Mr. Mullaney said based on the review and discussion by the

committee, the candidate the subcommittee determined was best capable of providing actuarial services consistent with RIGL §36-8-10 to ERSRI is Gabriel, Roeder, Smith and Company (GRS). Chairman Mullaney said the committee felt that GRS's institutional knowledge of the system, the 2011 pension changes and the 2015 mediated settlement combined with the quality of service was best suited for ERSRI at this time. He said that GRS also had the lowest price bid of \$1,421,000 for a five year contract.

Mr. Dion asked to elaborate on the point differential in the subcommittee's scoring of the proposals. Director Karpinski said points were calculated on fees (25% of the scoring) purely based on a comparison amongst each other i.e. the lowest fee received the highest score etc. The remaining points were reviews of the proposals by the committee and their awarding of points. Mr. Dion then asked if there was any hesitation that Cheiron would not have been a good candidate. Chairman Mullaney said the subcommittee was in fact very comfortable with Cheiron as they actually performed the actuarial audit of GRS in 2012.

Mr. Boudreau appreciated Cheiron's focus on risk and noted the difference in the points between Cheiron and GRS and asked if the differential was cost. Director Karpinski said there was a wide a range of questions to score the proposals, and cost was a factor.

Treasurer Magaziner praised Mr. Newton from his direct experience, for his responsiveness in his work and timely presentations despite time limitations.

Mr. Dion said Cheiron's capability with poorly funded systems and developing realistic funding plans in various states is reassuring using their stress testing methodologies. Treasurer Magaziner reminded the Board stress testing is something that will be addressed at the joint meeting with the SIC this afternoon.

Ms. Matisewski felt Cheiron's presentation, specifically their communication skills, were excellent noting especially being new to the Board.

Mr. Finelli, Chief of Staff Marr and Ms. Newell expressed their accolades for GRS and their consistent high level performance and institutional knowledge as ERSRI's actuary, although Cheiron's accolades were quite close as well.

Mr. Dion said despite the elimination of longevity for employees during the RIRSA deliberations, the assumptions underlying GRS's projections on wage gains never changed. He felt the actuary is overly generous with inflated assumptions. He said he questioned these during the RIRSA testimonies but yet feels that most of GRS's assumptions stayed constant. Director Karpinski noted that Cheiron performed the actuarial audit after the enactment of RIRSA and did not note any inconsistent assumptions in their findings. Mr. Boudreau noted that GRS, at the last valuation, said the wage assumptions would be addressed at the upcoming experience study.

There being no further questions, Chairman Mullaney then said consistent with Regulation No. 3 Section 2.6, the Procurement Subcommittee would recommend approval of an initial 5-year contract with Gabriel, Roeder, Smith and Company to provide actuarial services consistent with Rhode Island General Law §36-8-10. The fee for a 5-year contract term shall be \$1,421,000. Director Karpinski recommended to the Board that if they seek to rehire GRS, an actuarial audit for fiscal year 2018 would be prudent.

A motion was made by William B. Finelli and seconded by Roger P. Boudreau consistent with Regulation No. 3 Section 2.6; the Procurement Subcommittee would recommend approval of an initial 5-year contract with Gabriel, Roeder, Smith and Company to

provide actuarial services consistent with Rhode Island General Law §36-8-10. The fee for such services, for the 5-year contract term, shall be \$1,421,000.

The following members voted Yea: Treasurer Seth Magaziner; Vice Chair William B. Finelli, Daniel L. Beardsley; Roger P. Boudreau; Andrew Marcaccio, Esq., designee for Michael DiBiase; Thomas M. Lambert; John P. Maguire; Thomas A. Mullaney; Claire M. Newell; Jean Rondeau and Dr. Laura Shawhughes. The following voted Nay: Paul L. Dion, Ph.D. and Joanne A. Matisewski.

There being 13 votes cast, 11 voted in the affirmative, and 2 voted in the negative. Consistent with Rhode Island General Laws 36-8-6, *Votes of the Board – Record of Proceedings*, there being a majority vote of the members present and voting at which a quorum is present, it was then

VOTED: To accept the recommendation from the Procurement Subcommittee to award Gabriel Roeder Smith and Company a 5-year contract to provide actuarial services consistent with Rhode Island General Law §36-8-10. The fees for the 5-year renewal contract shall be \$1,421,000.

Disability Subcommittee:

The Disability Subcommittee then recommended the following actions on disability applications for approval by the full Board as a result of its meeting on Friday, July 8, 2016:

Name	Membership Group	Type	Action
1. Diane Bruno	State	Ordinary	Reconsideration Postpone
2. Richard Delbonis	Municipal	Accidental	Reconsideration Postpone
3. James McCarthy	Municipal	Accidental	Approve
4. Timothy Koback	Municipal	Upheld Denial Accidental	Ordinary--Approved
5. Joann Teixeira	State	Accidental	Approve @ 50%
6. Mark Petrella	Municipal	Accidental	Approve
7. Manuel Loureiro, Jr.	Teacher	Accidental	Postpone
8. Stacy Sunderland	Teacher	Ordinary	Approve
9. Linda Folco	State	Ordinary	Approve
10. Antonio Cabral	State	Ordinary	Approve
11. Karin Patton	Teacher	Ordinary	Approve

On a motion by William B. Finelli and seconded by Thomas A. Mullaney, it was unanimously

VOTED: To approve the recommendation of the Disability Subcommittee meeting of Friday, July 8, 2016 on items 1 and 5.

Claire M. Newell recused herself from the vote on numbers 1 and 5.

On a motion by William B. Finelli and seconded by Thomas A. Mullaney, it was unanimously

VOTED: To approve the recommendation of the Disability Subcommittee meeting of Friday, July 8, 2016 on item 7.

John P. Maguire recused himself from the vote on number 7.

On a motion by William B. Finelli and seconded by Roger P. Boudreau, it was unanimously

VOTED: To approve the recommendation of the Disability Subcommittee meeting of Friday, July 8, 2016 on items 2, 3, 4, 6, 8, 9, 10 and 11.

Mr. Dion had a question on item No. 3 where *Questions by Subcommittee* was noted, with regard to what specific questions were asked. Attorney Robinson explained the questions are usually on the merits of the case, and that a stenographer is present so that ERSRI can obtain a transcript of testimony. Chairman Finelli explained that these are specific questions by the committee to help facilitate making a decision on a given case.

VI. Administrative Decisions

None this Month

VII. Approval of the June Pensions as Presented by ERSRI

On a motion by Roger P. Boudreau and seconded by William B. Finelli, it was unanimously

VOTED: To approve the June pensions as presented.

VIII. Legal Counsel Report

Attorney Robinson apprised the Board that a decision was rendered by Judge Connor in the Worker's Compensation Court (document passed out to Board members today) on a motion for summary judgment filed in the *Kevin Lang vs. Employees' Retirement System of Rhode Island* matter. Attorney Robinson said that Mr. Lang's motion for summary judgment was denied by the Court, although the Judge concluded that if a firefighter contracts cancer, it is conclusively determined as a matter of law to be work related. Attorney Robinson said this matter will be discussed further with the Board when a final decision is rendered by the Court, in order to consider whether or not to take an appeal.

Attorney Robinson also addressed the lawsuit entitled *City of Cranston vs. Employees' Retirement System of RI*, wherein the City of Cranston challenged the System's calculation of required employer contributions. Attorney Robinson said a motion to

dismiss on behalf of the System was granted, primarily on the basis that the City had failed to exhaust its administrative remedies.

Adjournment

There being no other business to come before the Board, on a motion by Paul Dion and seconded by Roger P. Boudreau, the meeting adjourned at 12:12 p.m.

Respectfully submitted,

Frank J. Karpinski

Executive Director